Message Text

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INFO OCT-01 ARA-06 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 EA-07 EUR-12 /113 W

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R 042336Z APR 77
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 1307
INFO AMCONSUL MERIDA BY POUCH
AMCONSUL MONTERREY BY POUCH

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EO 11652: N/A
TAGS: ENRG EALR BENC MX
SUBJECT: PEMEX'S EXPANSION PLANS: NEW SWEETENERS AND
AMMONIA PLANTS

- 1. PEMEX HAS SIGNED A LETTER OF INTENT FOR SIX NEW 200 MCFD SWEETENERS BUT PAYMENT TERMS AND DEADLINES ARE STILL UNDER NEGOTIATION. THE BARGAINING ON TERMS HAS BEEN EXCEEDINGLY TOUGH WITH PEMEX INSISTING THAT THE FIRST PLANT BE IN OPERATION ONE YEAR FROM THE DATE CONTRACT IS SIGNED.
- 2. FOUR MORE 200 MCFD WILL BE CONSTRUCTED AT CACTUS, CHIAPAS, INCREASING RATED CAPACITY THERE TO 2.2 BCFD. THE AMERICAN COMPANY THAT BUILT PLANTS ONE THROUGH EIGHT HAS THE INSIDE TRACK BUT FACES NEW COMPETITION FROM RANDALL ENGINEERING. TWO OTHER SWEETENERS WILL BE CONSTRUCTED AT CARDENAS, TAB. TOTAL VALUE OF THE ENGINEERING SERVICES INVOLVED IS US\$20 MILLION.

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- 3. CONTRACTING FIRM MAY HAVE TO TURN TO FRENCH OR JAPANESE SUPPLIERS IF U.S. AND MEXICAN MANUFACTURERS ARE UNABLE TO MEET CONTRACT DEADLINES.
- 4. PEMEX HAS SHELVED PLANS TO BUILD A 100 MCFD SKID MOUNTED SWEETENER UNIT TO SERVE THE ANAHUAC AND TOTOMACA GAS FIELDS IN NORTHEASTERN MEXICO. IN ALL PROBABILITY,

SUCH A PLANT WILL EVENTUALLY BE BUILT.

- 5. PEMEX WILL SOON CONTRACT FOR THREE MORE LARGE AMMONIA PLANTS AT CACTUS, CHIAPAS. THESE PLANTS WILL BE FED BY GAS THAT IS CURRENTLY BEING USED BY INDUSTRIAL AND RESIDENTIAL CUSTOMERS IN CENTRAL AND SOUTHERN MEXICO. ONCE THE NECESSARY PIPELINES ARE BUILT, GAS FROM THE ZONA ZUR WILL ALSO MOVE INTO THE MONTERREY-REYNOSA-NUEVO LAREDO SYSTEM.
- 6. INFORMATION IN PRECEDING PARAGRAPHS WAS VOLUNTEERED TO PETOFF BY INDUSTRY SOURCE WHO HAS ASKED THAT ITS ORIGIN BE PROTECTED. THOMPSON

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Message Attributes

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